Nomination on the Board of Directors of IFCI

*387. SHRIMATI SAROJ DUBEY:
SHRIMATI SARLA MAHESHWARI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are contemplating to nominate Directors from Ministry of Commerce and Industry and Reserve Bank of India in place of private directors on the Board of Directors of the Industrial Finance Corporation of India Limited (IFCI); and

(b) if so, the details thereof?

THE FINANCE MINISTER (SHRI JASWANT SINGH): (a) No, Sir.

(b) Does not arise.

Foreign Exchange options market

*389. SHRI VAYALAR RAVI:
DR.T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether launch of a foreign exchange options market in the rupee on 7th July, 2003 has helped deepen overseas investors' interest in the country;

(b) if so, whether this would offer them a more flexible means of hedging currency risk;

(c) whether most investors have been content to leave their currency exposure unhedged to cash in on rupee gains in recent times; and

(d) if so, to what extent this decision has helped more foreign investment?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) According to the RBI, since rupee-foreign curreency options have been permitted with effect from July 7, 2003, it is still early to gauge the impact on overseas investor interest in the country.

(b) the product complements the spot and forward foreign exchange market to provide an additional hedging tool for market participants. The product also protects against downside risk while keeping the upside fully

open, albeit at a cost charged upfront as premium and thus offers investors a more flexible means of hedging currency risk.

(c) The decision of overseas investors to hedge their investment is a commercial decision.

(d) To the extent that the introduction of the product provides an additional hedging tool, it is expected to facilitate overseas investors in making their investment decisions over time.

Irrigation Projects from Karnataka

*390. SHRI M. V. RAJASEKHARAN:
SHRI K. RAHMAN KHAN:

Will the Minister of WATER RESOURCES be pleased to state:

(a) whether it is a fact that a large number of irrigation projects from Karnataka are pending in his Ministry for approval; and

(b) if so, the present status of these projects and the steps taken to clear the projects on priority basis?

THE MINISTER OF WATER RESOURCES (SHRI ARJUN CHARAN SETHI): (a) No, Sir. At present only two irrigation projects (one major and one medium) are under various stages of appraisal in the Central Water Commission.

(b) The irrigation projects under appraisal are Singatalur (Huligudda) Lift Irrigation Scheme (major) and Basapur Lift Irrigation Scheme (medium). The clearance of the project depends upon the promptness with which the State Government arranges to provide compliance to the observations of the Central appraising agencies.

Promotion of Organic Cultivation by NABARD

*391. SHRI SURESH PACHOURI:
SHRI BALKAVI BAIRAGI:

Will the Minister of FINANCE be pleased to state:

(a) whether the NABARD plans to promote organic cultivation of horticulture crops in mango belt in the southern districts of Tamil Nadu:

(b) if so, the details thereof;